



(BILLING CODE: 3510-DS-P)

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-040]

Truck and Bus Tires from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) is simultaneously initiating and issuing the preliminary results of a changed circumstances review (CCR) of the antidumping duty order on truck and bus tires from the People's Republic of China (China) to determine whether Sailun Group Co., Ltd. (Sailun Group) is the successor-in-interest to Sailun Jinyu Group Co., Ltd. (Sailun Jinyu), and whether Sailun (Shenyang) Tire Co., Ltd. (Sailun Shenyang), is the successor-in-interest to Shenyang Peace Radial Tyre Manufacturing Co., Ltd. (Shenyang Peace). Based on the information on the record, we preliminarily determine that Sailun Group is the successor-in-interest to Sailun Jinyu and that Sailun Shenyang is the successor-in-interest to Shenyang Peace for purposes of determining antidumping duty liability. We invite interested parties to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Lochard Philozin, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4260.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the antidumping duty order on truck and bus tires from China on February 15, 2019.¹ In its October 25, 2019 request for a CCR, Sailun Group informed Commerce that Sailun Jinyu changed its name to Sailun Group, effective October 22, 2018; and Shenyang Peace changed its name to Sailun Shenyang, effective December 3, 2018.² Sailun Jinyu was a respondent in the investigation in which it received a separate rate for two exporter/producer combinations: (1) truck and bus tires produced and exported by Sailun Jinyu to the United States; and (2) truck and bus tires produced by Shenyang Peace and exported by Sailun Jinyu to the United States.³ Pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(c) and 19 CFR 351.221(c)(3), Sailun Group requested that Commerce initiate an expedited CCR and determine that it is the successor-in-interest to Sailun Jinyu; and that its subsidiary, Sailun Shenyang, is the successor-in-interest to Shenyang Peace.

Scope of the Order

The scope of the order covers truck and bus tires. Truck and bus tires are new pneumatic tires, of rubber, with a truck or bus size designation. Truck and bus tires covered by this order may be tube-type, tubeless, radial, or non-radial.

Subject tires have, at the time of importation, the symbol “DOT” on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Subject tires may

¹ See *Truck and Bus Tires from the People's Republic of China: Antidumping Duty Order*, 84 FR 4436 (February 15, 2019) (*AD Order*).

² See Sailun Group's Letter, “Sailun Request for a Changed Circumstances Review in Truck and Bus Tires From the People's Republic of China, Case No. A-570-040,” dated October 25, 2019 (CCR Request).

³ See *Truck and Bus Tires from the People's Republic of China: Final Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances*, 82 FR 8599 (January 27, 2017)); see also *AD Order*, 84 FR at 4439-40.

also have one of the following suffixes in their tire size designation, which also appear on the sidewall of the tire:

TR – Identifies tires for service on trucks or buses to differentiate them from similarly sized passenger car and light truck tires; and

HC – Identifies a 17.5 inch rim diameter code for use on low platform trailers.

All tires with a “TR” or “HC” suffix in their size designations are covered by this order regardless of their intended use.

In addition, all tires that lack one of the above suffix markings are included in the scope, regardless of their intended use, as long as the tire is of a size that is among the numerical size designations listed in the “Truck-Bus” section of the *Tire and Rim Association Year Book*, as updated annually, unless the tire falls within one of the specific exclusions set out below.

Truck and bus tires, whether or not mounted on wheels or rims, are included in the scope. However, if a subject tire is imported mounted on a wheel or rim, only the tire is covered by the scope. Subject merchandise includes truck and bus tires produced in the subject country whether mounted on wheels or rims in the subject country or in a third country. Truck and bus tires are covered whether or not they are accompanied by other parts, *e.g.*, a wheel, rim, axle parts, bolts, nuts, etc. Truck and bus tires that enter attached to a vehicle are not covered by the scope.

Specifically excluded from the scope of this order are the following types of tires: (1) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires; (2) non-pneumatic tires, such as solid rubber tires; and (3) tires that exhibit each of the following physical characteristics: (a) the designation “MH” is molded into the tire’s sidewall as part of the size designation; (b) the tire incorporates a warning, prominently molded on the sidewall, that the tire is for “Mobile Home Use Only;” and (c) the tire is of bias construction as evidenced by

the fact that the construction code included in the size designation molded into the tire's sidewall is not the letter "R."

The subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4011.20.1015 and 4011.20.5020. Tires meeting the scope description may also enter under the following HTSUS subheadings: 4011.69.0020, 4011.69.0090, 4011.70.00, 4011.90.80, 4011.99.4520, 4011.99.4590, 4011.99.8520, 4011.99.8590, 8708.70.4530, 8708.70.6030, 8708.70.6060, and 8716.90.5059.

While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Act and 19 CFR 351.216(d), Commerce will conduct a CCR upon receipt of a request from an interested party or receipt of information concerning an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. In the past, Commerce has used CCRs to address the applicability of cash deposit rates after there have been changes in the name or structure of a respondent, such as a merger or spinoff ("successor-in-interest," or "successorship," determinations).⁴ Based on the request from Sailun Group and in accordance with section 751(b)(1) of Act and 19 CFR 351.216(b), we are initiating a CCR to determine whether Sailun Group is the successor-in-interest to Sailun Jinyu and whether Sailun Shenyang is the successor-in-interest to Shenyang Peace for purposes of antidumping duty liability.

⁴ See, e.g., *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final Results of Changed Circumstances Review*, 81 FR 91909 (December 19, 2016).

Preliminary Results of Changed Circumstances Review

If we conclude that an expedited action is warranted, we may combine the notices of initiation and preliminary results of a CCR under 19 CFR 351.221(c)(3)(ii). Commerce has combined the notice of initiation and preliminary results in successor-in-interest cases when sufficient documentation has been provided supporting the request to make a preliminary determination.⁵ In this instance, we have the necessary information on the record to make a preliminary finding. Thus, we find that expedited action is warranted and have combined the notices of initiation and preliminary results pursuant to 19 CFR 351.221(c)(3)(ii).

In making a successor-in-interest determination for purposes of antidumping duty liability, Commerce examines several factors including, but not limited to, changes in management, production facilities, supplier relationships, and customer base.⁶ While no single factor or combination of these factors will necessarily provide a dispositive indication of a successor-in-interest relationship, Commerce will generally consider the new company to be the successor to the previous company if the new company's operations are not materially dissimilar to those of its predecessor.⁷ Thus, if the evidence demonstrates that, with respect to the production and sales of the subject merchandise, the new company operates as essentially the

⁵ See, e.g., *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China*, 81 FR 76561 (November 3, 2016).

⁶ See, e.g., *Pressure Sensitive Plastic Tape from Italy: Preliminary Results of Antidumping Duty Changed Circumstances Review*, 75 FR 8925 (February 26, 2010), unchanged in *Pressure Sensitive Plastic Tape from Italy: Final Results of Antidumping Duty Changed Circumstances Review*, 75 FR 27706 (May 18, 2010); and *Brake Rotors from the People's Republic of China: Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 70 FR 69941 (November 18, 2005) (*Brake Rotors*), citing *Brass Sheet and Strip from Canada: Final Results of Antidumping Duty Administrative Review*, 57 FR 20460 (May 13, 1992).

⁷ See, e.g., *Brake Rotors*.

same business entity as the former company, Commerce will accord the new company the same antidumping treatment as its predecessor.⁸

In its CCR Request and Supplemental Response,⁹ Sailun Group provided documents demonstrating that Sailun Jinyu and Shenyang Peace changed their names.¹⁰ Sailun Group states that the management, production facilities, and customer/supplier relationships of the two companies (Sailun Jinyu and Shenyang Peace) have not changed as a result of changes to the names of the companies. Further, Sailun Group and Sailun Shenyang provided internal documents evidencing that their production facilities and their location and domestic and overseas customers and suppliers were the same before and after the change to the companies' names.¹¹ Sailun Group also provided a list of members of the management team and supporting documentation indicating that Sailun Group's and Sailun Jinyu's management teams are identical, and Sailun Shenyang is being managed by the same director who was managing Shenyang Peace.¹²

Based on record evidence, we preliminarily determine that Sailun Group is the successor-in-interest to Sailun Jinyu, and that Sailun Shenyang is the successor-in-interest to Shenyang Peace for purposes of antidumping duty liability, because the changes to the names of the companies resulted in no significant changes to management, production facilities, supplier relationships, or customers. As a result, we preliminarily determine that Sailun Group operates

⁸ *Id.*; see also, e.g., *Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 64953 (October 24, 2012), unchanged in *Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 73619 (December 11, 2012).

⁹ See CCR Request; see also Sailun Group's Letter, "Sailun Supplemental Questionnaire Response: Changed Circumstances Review in Truck and Bus Tires From the People's Republic of China, Case No. A-570-040," dated November 14, 2019 (Supplemental Response).

¹⁰ See, e.g., CCR Request at Exhibits 2a, 2b, 3a, and 3b.

¹¹ See CCR Request at Exhibits 2d, 2e, 2f, 3d, 3e and 3f through 6, and Supplemental Response at Exhibits 1, 2, 3, 4, and 7.

¹² See CCR Request at Exhibit 2c and 3c and Supplemental Response at Exhibit 5.

as essentially the same business entity as Sailun Jinyu and that Sailun Shenyang operates as essentially the same business entity as Shenyang Peace. Thus, we preliminarily determine that subject merchandise produced and exported by Sailun Group to the United States should receive the same cash deposit rate as subject merchandise produced and exported by Sailun Jinyu to the United States; and subject merchandise produced by Sailun Shenyang and exported by Sailun Group to the United States should receive the same cash deposit rate as subject merchandise produced by Shenyang Peace and exported by Sailun Jinyu to the United States.

If these preliminary results are adopted in our final results of this CCR, effective on the publication date of our final results, we will instruct U.S. Customs and Border Protection to suspend liquidation of entries of subject merchandise produced and exported in the above producer/exporter combinations at the applicable cash deposit rates.

Public Comment

Interested parties may submit case briefs no later than 14 days after the publication of this notice.¹³ Rebuttal briefs, which must be limited to issues raised in case briefs, may be filed not later than five days after the deadline for filing case briefs.¹⁴ Parties who submit case briefs or rebuttal briefs in this changed circumstance review are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Interested parties may request a hearing within 14 days of publication of this notice. The hearing request should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing

¹³ See 19 CFR 351.309(c)(1)(ii). (“Any interested party may submit a ‘case brief within ... 30 days after the date of publication of the preliminary results of {a changed circumstances} review, *unless the Secretary alters the time limit...*”) (emphasis added).

¹⁴ See 19 CFR 351.309(d).

is made, parties will be notified of the time and date for the hearing to be held at the U.S.

Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230 in a room to be determined. Parties will be notified of the time and date of any hearing, if requested.¹⁵

All submissions, with limited exceptions, must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. An electronically-filed document must be received successfully in its entirety by no later than 5:00 p.m. Eastern Time on the date the document is due.

Notifications to Interested Parties

Unless extended, consistent with 19 CFR 351.216(e), we intend to issue the final results of this CCR no later than 270 days after the date on which this review was initiated, or within 45 days after the publication of the preliminary results if all parties in this review agree to our preliminary results. The final results will include Commerce's analysis of issues raised in any written comments.

We are issuing and publishing this initiation and preliminary results notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act, 19 CFR 351.216(b) and (d), and 19 CFR 351.221(c)(3).

Dated: December 9, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

¹⁵ See 19 CFR 351.310.

